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UNCLAS SECTION 01 OF 02 ASTANA 000249

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SUBJECT: KAZAKHSTAN: DEPUTY FOREIGN MINISTER INSISTS ON  
RECIPROCITY IN DOING BUSINESS

REF: A. ASTANA 0247

[1](#)B. ASTANA 0175

[1](#)C. ASTANA 0049

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[1](#)1. (SBU) SUMMARY: This is an action cable (see para 6). The Ambassador met Deputy Foreign Minister Kairat Umarov on February 19 to discuss a range of issues, including the Annual Bilateral Consultations (ABC), the visit of Special Representative Richard Holbrooke, tarmac access, FSN income taxes, the Presidential Entrepreneurship Summit, and the pending AES arbitration case. Post reported separately on the ABC (ref A). END SUMMARY.

NO MORE SUNDAY VISITS

[1](#)2. (SBU) Regarding the visit on February 21 of Special Representative to Afghanistan and Pakistan Richard Holbrooke, Umarov told the Ambassador that Kazakhstan welcomed the visit, and would accommodate the delegation at a Sunday meeting with Saudabayev. However, he put his hands down firmly on the table and said, "This is the last Sunday meeting we will accept. We are not going to tolerate this any more. In the future," he said, "Sunday meetings will be impossible to arrange."

TARMAC ACCESS BASED ON RECIPROCITY

[1](#)3. (SBU) The Ambassador informed Umarov that the Embassy has found it increasingly difficult to obtain permission for Embassy staff and vehicles to access the airport tarmac to meet arriving flights delivering classified pouches. Umarov admitted that the MFA had "absolutely revised its norms" and procedures regarding tarmac access. Reciprocity," he said, "is the key issue." Umarov explained that if a country wants to increase the number of people who have access to a special zone at the airport, then it must be prepared to grant Kazakhstan the same level of access. According to Umarov, all of the European countries have agreed to this principle.

14. (SBU) The Ambassador pushed back, noting that flights delivering classified pouches are a different issue than access to greet visiting dignitaries, and that strict reciprocity is not possible. Umarov disagreed. He said that Kazakhstan also sends diplomatic pouches with classified material, but has not complained to the United States about its inability to meet the shipment on the tarmac. "We play by your rules, and we don't complain," he said. The Ambassador promised to research the issue further and Umarov agreed to revisit the issue later. Umarov said that Kazakhstan must play fair with all countries represented in Kazakhstan, but indicated that if there are special circumstances or exceptions for Russia or China, for example, then he would be willing to ask the MFA's Protocol Department to make a similar exception for the United States.

#### FSN TAXES

15. (SBU) On the issue of local taxes, the Ambassador informed Umarov that local Embassy employees in Almaty continue to complain about being harassed by the Financial Police for not having paid their personal income taxes in full, on time. Umarov admitted that he was not well informed about the specifics of the issue, but promised that the MFA would raise it with the Financial Police. He also said that the MFA was working with the Ministry of Finance to schedule a meeting in Almaty for local Embassy employees to discuss the taxation issue.

#### ENTREPRENEURSHIP SUMMIT

16. (SBU) Umarov brought up the Presidential Entrepreneurship Summit on April 26-27, and said that one of the three

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Kazakhstani delegates would like to deliver an address at the Summit, particularly if other delegations will be given an opportunity to speak (ref B). The Ambassador promised to relay this request to Washington. Umarov also said that the Embassy of Kazakhstan in Washington is actively engaged in promoting Kazakhstan's role in the Summit, and is working with the U.S.-Kazakhstan Business Association to organize representational events during the week of the Summit. During an informal conversation on February 21, Umarov asked the Ambassador if it would be possible to substitute a leading female entrepreneur for one of the three males. He said, "It doesn't seem right that you haven't included a woman." ACTION REQUEST: Please advise if it will be possible for a member of the Kazakhstani delegation to speak at the Entrepreneurship Summit, and if it would be possible to add or substitute an appropriate female entrepreneur for the Kazakhstani delegation. END ACTION REQUEST.

#### AES SENDING MIXED SIGNALS

17. (SBU) Umarov told the Ambassador that the government of Kazakhstan has received "contradictory signals" from the U.S. energy company AES. He said the government has "no understanding of where the company stands and what they want." Umarov said the U.S. power company contacted the Embassy of Kazakhstan in Washington and asked for Ambassador Idrissov's assistance to craft a compromise position to resolve an impasse that appears headed toward international arbitration (ref C). Umarov said that AES informed Idrissov that the company would like to reach a compromise that would enable AES to remain in Kazakhstan for the long-term. But he said that in Kazakhstan, the government has a different impression. "We would like to continue to work with this company," he asserted. "But there are many negative feelings about what they did and how they did it. All we hear from AES are demands and criticism of our laws," he said. (NOTE: One of the key issues for both sides is electricity tariffs. Kazakhstan also complains that AES has failed to meet its capital investment commitments. END NOTE). Umarov said the Ministry of Finance will "soon" present AES with its proposal for resolving the pending dispute. "If AES signs it," he

said, "then we can put this to rest and move on. If they don,t" he warned, "then we will have to find a different solution."  
HOAGLAND